

Message Text

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PAGE 01 LONDON 10052 01 OF 02 171554Z
ACTION EUR-12

INFO OCT-01 AF-10 ARA-14 EA-09 NEA-10 ISO-00 EURE-00
L-03 H-02 PA-02 PRS-01 IGA-02 IO-14 AID-05
CIAE-00 COME-00 EB-07 FRB-01 INR-07 NSAE-00
USIA-15 XMB-04 OPIC-06 SP-02 LAB-04 EPG-02 SIL-01
OMB-01 NSC-05 SS-15 STR-04 CEA-01 FEAE-00 AGR-01
OIC-02 /163 W
-----171851Z 115550 /43

P R 171533Z JUN 77
FM AMEMBASSY LONDON
TO TREASURY DEPT WASHDC PRIORITY
SECSTATE WASHDC PRIORITY 5197
INFO AMEMBASSY NASSAU
AMEMBASSY DACCA
AMEMBASSY BRIDGETOWN
AMEMBASSY GABORONE
AMEMBASSY OTTAWA
AMEMBASSY NICOSIA
AMEMBASSY SUVA
AMEMBASSY BANJUL
AMEMBASSY ACCRA
AMEMBASSY GEORGETOWN
RUFHND/AMEMBASSY NEW DELHI 3003
AMEMBASSY KINGSTON
AMEMBASSY NAIROBI
AMEMBASSY MASERU
AMEMBASSY KUALA LUMPUR
AMEMBASSY LILONGWE
AMEMBASSY VALLETTA
AMEMBASSY PORT LOUIS
AMEMBASSY WELLINGTON
AMEMBASSY LAGOS
AMEMBASSY PORT MORESBY
AMEMBASSY VICTORIA
AMEMBASSY FREETOWN
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PAGE 02 LONDON 10052 01 OF 02 171554Z

AMEMBASSY SINGAPORE
AMEMBASSY COLOMBO
AMEMBASSY MBABANE
AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT OF SPAIN
AMEMBASSY LUSAKA
AMEMBASSY MAPUTO
AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN
USMISSION USUN NEW YORK
AMEMBASSY CANBERRA

UNCLAS SECTION 1 OF 2 LONDON 10052

E.O. 11652: N/A

TAGS: EGEN, EAID, XX, XF

SUBJECT: COMMONWEALTH CONFERENCE: ECONOMIC DISCUSSIONS

REF: (A) LONDON 9801; (B) LONDON 9969

1. ECONOMIC ISSUES WERE OVERSHADOWED BY UGANDA AND OTHER AFRICAN SUBJECTS IN THE 1977 COMMONWEALTH CONFERENCE, WHICH ENDED JUNE 15. THE FINAL COMMUNIQUE CONTAINS A LENGTHY SECTION ON ECONOMIC MATTERS, BUT IT CONSISTS MAINLY OF GENERAL STATEMENTS OF GOOD INTENTION. THE ONLY SIGNIFICANT CONCRETE STEP WAS "TO ESTABLISH A SMALL TECHNICAL WORKING GROUP DRAWN FROM COMMONWEALTH COUNTRIES TO EXAMINE THE ISSUES WHICH NEED TO BE ADDRESSED IN FURTHER WORK IN UNCTAD" ON THE COMMON FUND.

2. THE COMMUNIQUE NOTES "WITH DEEP CONCERN" THE INCREASE IN THE WEALTH GAP BETWEEN RICH AND POOR COUNTRIES. THE DEVELOPING COUNTRIES TOOK THE VIEW THAT THE MEASURES AGREED UPON IN CIEC WERE INADEQUATE. THE HEADS OF GOVERNMENT CALLED FOR "RENEWED AND MORE INTENSIVE EFFORTS TO PURSUE AND ADVANCE THE NORTH-SOUTH DIALOGUE IN A CONSTRUCTIVE SPIRIT IN THE RESPONSIBLE INTER-
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PAGE 03 LONDON 10052 01 OF 02 171554Z

NATIONAL INSTITUTIONS".

3. AS NOTED IN REF B, THE FULL COMMUNIQUE IS BEING POUCHED. SOME OTHER POINTS IN THE COMMUNIQUE WORTH HIGHLIGHTING WERE AS FOLLOWS.

4. THE HEADS OF GOVERNMENT PLEDGED THEMSELVES TO WORK FOR THE "EARLY ESTABLISHMENTT OF A COMMON FUND. THEY AGREED THAT ADEQUATE SHORT AND LONG-TERM FUNDS SHOULD BE PROVIDED FOR NEW ENERGY INVESTMENT THROUGH INTERNATIONAL FINANCIAL INSITUIONS. THEY AGREED TO WORK FOR THE EARLY CONCLUSION OF THE MTNS AND URGED THE EC TO TAKE FURTHER ACCOUNT OF THE TRADING INTERESTS OF COMMONWEALTH ASIAN COUNTRIES WHICH HAVE BEEN PUT AT A DISADVANTAGE WITH THE PHASING OUT OF COMMONWEALTH PREFERENCES. THE HEADS OF GOVERNMENT AGREED THAT RAPID INDUSTRIALIZATION OF DEVELOPING COUNTRIES WAS INDISPENSABLE AND NOTED THAT

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PAGE 01 LONDON 10052 02 OF 02 171557Z
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FEAE-00 OIC-02 /163 W
-----171605Z 115605 /41

P R 171533Z JUN 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 5198
TREASURY DEPT WASHDC PRIORITY
INFO AMEMBASSY CANBERRA
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UNCLAS SECTION 02 OF 02 LONDON 10052

PERSISTING TRADE RESTRICTIONS, PARTICULARLY ON TEXTILES, CONTINUED TO BE OF SERIOUS CONCERN TO DEVELOPING COUNTRIES. "THEY FURTHER RECOGNIZED THAT THE UNCERTAINTY FACED BY DEVELOPING COUNTRY EXPORTERS OF TEXTILES HAS BEEN DAMAGING. THEY AGREED THAT THE NEGOTIATIONS FOR A NEW MULTI-FIBRE ARRANGEMENT MUST BE CARRIED OUT IN EARNEST AS SOON AS POSSIBLE".

5. THE HEADS OF GOVERNMENT AGREED TO RECOMMEND THAT EARLY AND SYMPATHETIC CONSIDERATION BE GIVEN TO A FURTHER INCREASE IN IMF QUOTAS OF AT LEAST 50 PERCENT; AN EARLY CAPITAL INCREASE FOR THE WORLD BANK; AND AN INTENSIFIED SEARCH FOR COMPREHENSIVE SOLUTIONS TO THE PROBLEM OF THE GROWING DEBT SERVICE BURDEN OF NON-OIL DEVELOPING COUNTRIES. THE DEVELOPED COMMONWEALTH COUNTRIES COMMITTED THEMSELVES TO INCREASE OFFICIAL DEVELOPMENT ASSISTANCE WITH A VIEW TO REACHING THE 0.7 PERCENT OF GNP TARGET.

6. COMMENT. FROM A PAROCHIAL AMERICAN POINT OF VIEW THE ONE INTRIGUING POINT IN THE COMMUNIQUE IS THE STATEMENT,
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PAGE 03 LONDON 10052 02 OF 02 171557Z

AGREED TO BY THE UK, REGARDING THE MULTI-FIBRE ARRANGEMENT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMONWEALTH, MEETINGS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON10052
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770217-0392
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770646/aaaabnzl.tel
Line Count: 216
Litigation Code IDs:
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Litigation History:
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Message ID: b705fc7a-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 LONDON 9801, 77 LONDON 9969
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2114429
Secure: OPEN
Status: NATIVE
Subject: COMMONWEALTH CONFERENCE: ECONOMIC DISCUSSIONS
TAGS: EGEN, EAID, XX, XF
To: TRSY STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b705fc7a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009